

# EXHIBIT A

### SETTLEMENT AGREEMENT

The Settlement Agreement is made as of this 5th day of August, 1994, by and between W.R. Grace & Co. -- Conn. and the party plaintiffs, individually and as representatives of the plaintiff class in In re School Asbestos Litigation, Master File No. 83-0268, United States District Court for the Eastern District of Pennsylvania, acting by and through their undersigned counsel.

### DEFINITIONS

As used herein, the following terms shall have the meanings specified below:

(a) The "Named Plaintiffs" shall mean the School District of Lancaster (Pennsylvania), the Manheim School District (Pennsylvania), the Lampeter-Strasburg School District (Pennsylvania), the Barnwell School District No. 45 (South Carolina), and the Board of Education of the Memphis City Schools (Tennessee).

(b) The "Federal Class Action" or "Class Action" shall mean all of the individual and class actions known as In re: Asbestos School Litigation, filed in the United States District Court for the Eastern District of Pennsylvania and

by class members could potentially result in a total credit not to exceed \$100,000,000.

WHEREAS, because actual usage of such purchase credits cannot be predicted, the total credit which may result could be substantially less than such potential maximum.

WHEREAS, to the best of the knowledge or information of the Plaintiffs' Class Counsel, none of the members of the Federal Class has assigned or transferred any Asbestos-Related Property Damage Claim it might have against Grace to any Third Party.

WHEREAS, certain other defendants have also entered into settlement agreements with plaintiffs, which have not yet been presented for preliminary approval and it is the intent of the parties to this agreement that in order to facilitate notification to the class, notice of this settlement will be made simultaneously with notice of those other settlements.

TERMS AND CONDITIONS  
OF THE SETTLEMENT

1. In full and complete satisfaction of the Asbestos-Related Property Damage Claims, Grace agrees to settle and compromise the claims of the Class as follows: (A) to pay

the sums set forth in paragraph 1 of Exhibit A hereto, at the times set forth therein, to the Escrow Agents named below for the benefit of the Class (the "Cash Portion"), and (B) to issue coupons which will entitle members of the Class to purchase credits in the amount and substantially the form set forth in Exhibit B hereto, which if used to their fullest extent by each class member to whom they are issued could potentially result in a total credit of \$100,000,000.

2. After the Effective Date, plaintiffs shall provide Grace with a list, in both hard copy and computer readable format, of names and addresses of the class members to receive purchase credits and the number of bags for which purchase credits will be issued to each. Within 60 days thereafter Grace will prepare and deliver in bulk to plaintiffs' class counsel a sufficient number of blank purchase credit coupons. Plaintiffs' class counsel will cause one coupon to be issued in the name of each class member entitled thereto, setting forth the name of the class member and the number of bags for which it may receive purchase credits. The maximum discount allowed on any bag is set forth in Exhibit B hereto. Each time that the coupon is presented by a class member, the number of bags on which the purchase credit has been granted shall be noted by Grace on the back of the coupon. Such coupon shall be freely

(FRONT OF COUPON)

Two-Dollars and Fifty Cents (\$2.50)  
Per Bag Credit Toward the Purchase  
of Retro-guard™ or Monokote™  
Acoustical Plaster Type AK-1

This coupon has been issued to [NAME OF SCHOOL] (the "School") as part of the settlement of In re Schools Asbestos Litigation Master File No. 83-0628. The School District or Authorized Transferee (as defined below) may present this coupon to any sales office of the Construction Products Division of W.R. Grace & Co., a Connecticut corporation ("Grace"), and receive a credit of two dollars and fifty cents (\$2.50), towards the purchase price for each 50 lbs. bag of either (a) Retro-guard™, Grace's replacement fireproofing product; or (b) Monokote™ Acoustical Plaster Type AK-1 Grace's acoustical plaster which the school district purchases, up to a maximum of [NUMBER OF BAGS IN WORDS] bags. The coupon must be presented at the time of purchase. The purchase credit applies to the lower of (a) Grace's published list price; or (b) any generally available discounted price announced by Grace for the particular geographic region and product, provided that the resulting price to the School shall be no more than 75% of (a) or (b). Only one (1) purchase credit may be applied to each bag purchased. The purchase is subject to all terms, conditions and warranties which may be in effect at the time of sale.

This coupon may be freely transferred to any other member of the class certified in Pretrial Order Nos. 20 and 273 in In Re School Asbestos Litigation, No. 83-0268 (E.D.Pa.) who did not file a timely request for exclusion (an "Authorized Transferee"), but it may not be sold, bartered or transferred to any other persons or entities. In order to make such a transfer, the School should contact the Construction Products Division of W.R. Grace & Co., 62 Whittimore Street, Cambridge, Mass. 02140, which will issue new coupon(s) to the Authorized Transferee(s). A coupon may only be used by the School or Authorized Transferee to whom it is issued for the purchase of product to be installed in a structure to be operated for educational functions exclusively by the School or Authorized Transferee; as a condition of receiving the purchase credit, the School or Authorized Transferee upon request, may be required to submit satisfactory evidence that the product will be used in compliance herewith. Any use of the coupon in violation of the terms hereof renders the purchase credit void and the School or Authorized Transferee liable for any purchase credit given in violation of the terms of the coupon.

This coupon shall be valid until December 31, 2004,  
unless otherwise extended in writing by Grace. All orders are  
subject to availability of product.

(BACK OF COUPON)

REGISTER OF BAGS PURCHASED

Date	Product	Number of Bags Purchased	Invoice Number
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____